Custom duty for Mega Power Projects

5594. SHRI BRAHMAKUMAR BHATT: Will the Minister of POWER be pleased to state:

(a) whether Government have issued a notification where in the field of exemption of custom duty is extended for a Mega Power Project;

(b) whether the River Bed Power House of Sardar Sarovar Project fulfills the essential requirement for including the same in the list of projects specially exempted from payment of import duty;

(c) whether the proposal for import duty exemption on Turbine Generator (TG) sets for RBPH was submitted to Government;

(d) whether Government of Gujarat has recommended for exemption of custom duty as a special case; and

(e) if so, by when the orders would be issued?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir, the Government has issued a notification No. 63/99 Customs dated 13th May, 1999, *vide* which the power projects identified as mega power projects under the revised mega power policy announced by the Government of India in November, 1998, have been exempted from payment of customs duty on import of capital equipment.

(b) Under the revised mega power policy announced by the Government of India in November, 1998, certain power project sites have been identified as mega power projects for development as multi state mega power projects, both in the public as well as private sector. The identified mega projects are being given certain fiscal concessions, which, *inter-alia*, includes exemption from payment of customs duty on import of capital equipment. The list of mega power proejcts identified under the revised policy was prepared after detailed deliberation with different agencies. Apart from the list of identified projects mentioned above, Government has not decided to include any more projects for grant of the fiscal concessions under the revised mega power policy. The RBPH of Sardar Sarovar project is not included in the list of identified mega power projects and notified for grant of the said fiscal concessions.

(c) Yes, Sir, the State Government of Gujarat and Madhya Pradesh requested for exemption from customs duty for import of TG sets for the RBPH, on the lines of the mega power projects being developed under the revised mega power policy.

(d) Yes, Sir.

(e) As stated above, the RBPH of Sardar Sarovar project, which is also an ongoing project, does not fall within the framework of the revised mega power policy and is not included in the list of identified mega power projects. The revised mega power policy also does not provide for inclusion of such ongoing projects.

Cess on power generation

5595. SHRI BRAHMAKUMAR BHATT: Will the Minister of POWER be pleased to state:

(a) whether there is any proposal under Government's consideration to levy cess on power generation;

(b) if so, whether the bill was passed;

(c) if passed, the amount so collected;

(d) if not, the reasons therefor; and

(e) the details of amount utilised on survey and investigation, investment in pre-construction, development of small and mini hydro projects, renovation and modernisation of transmission lines, etc.?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI MATI JAYAWANTI MEHTA): (a) to (c) The Policy on Hydro Power Development announced by the Government in August, 1998 provides for the establishment of National Power Development Fund through levy of cess at 10 paise per Kwh of electricity consumed in the country. A proposal to levy cess at 5 paise per Kwh of electricity generated was subsequently put up for consideration of the Government but was deferred.

(d) and (e) Do not arise.

Violation of PPA

5596. DR. Y. LAKSHMI PRASAD: Will the Minister of POWER be pleased to state:

(a) whether Government proposed to enquire into blatant violation of Power Purchase Agreement (PPA) entered into by the AP Transco with Spectrum Power Generation Limited as reported in the "Deccan Chronicle' dated 13th April, 2000;